

Competitive Bidding for Wind Projects

Key Trends, Risks, Alternatives and Outlook

Key Takeaways

- ❖ Wind industry market size to reach Rs 1.2 trillion by 2022
- ❖ 25 GW to be tendered by 2020 to meet the 60 GW target
- ❖ Significant market consolidation expected in the sector
- ❖ Increasing downward pressure on revenues as tariffs fall
- ❖ Tariff levels expected to remain between Rs 2.7 to Rs 2.9 per kWh

Industry Perspective

- ❖ Increasing quantity over quality of returns
- ❖ Optimum tariff levels for double-digit IRR is Rs 3.25 per kWh
- ❖ Lower for longer debt component to help the sector
- ❖ Better offtake of power due to low tariffs augments profits
- ❖ Grid curtailment and transmission issues to improve

Future Growth Drivers

Driver	Short-term (1-2 years)	Medium-term (2-5 years)	Long-term (5-10 years)
Low Tariffs	High	High	High
Defined Trajectory	High	High	Medium
Stricter RPO Targets	High	Medium	Low
High Industrial Tariffs	High	Medium	Low
Technology Innovation	Low	Medium	Medium

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